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Subcommittee Holds Hearing to Examine Postal Service Revenue-Generation Initiatives

Postal Service has developed new products and services to address its financial challenges

WASHINGTON, D.C. – On Thursday, November 5, 2009 at 10:00am in room 2154 of the Rayburn House Office Building, the Subcommittee on Federal Workforce, Postal Service, and the District of Columbia will hold a hearing entitled, “More than Stamps: Adapting the Postal Service to a Changing World.”

The purpose of the hearing is to examine revenue-generation initiatives recently undertaken by the Postal Service in order to further address the agency’s ongoing financial challenges. In addition, the hearing is also expected to discuss existing barriers to the Postal Service’s ability to innovate its operations through the introduction of new products and services.

As one means of addressing its unprecedented fiscal challenges, the Postal Service has undertaken a series of revenue-generation activities and begun to consider additional innovative services and product offerings. Notably, since June of 2008, the Postal Service has begun to focus its attention on the diversification of its Mailing and Shipping Services, including the pursuit of an integrated business model based on private sector best practices. In addition, the Postal Service recently developed and implemented a Standard Mail Volume Incentive Program, providing eligible mailers with a 30% rebate on certain Standard Mail letters and flats volume during the summer of 2009. Furthermore, the Postal Service has begun to explore the viability of pursuing several new sources of revenue, ranging from the sale of flat rate priority shipping boxes to the implementation of banking, telecommunications, and insurance services in postal retail facilities.

“While the Postal Service, a self-funded government entity, has already implemented a series of cost-cutting efforts in response to its deteriorating financial condition, the current situation also mandates that the agency take significant and innovative steps designed to enhance its products and services and generate revenue,” said Chairman Stephen F. Lynch. “Meaningful oversight of these activities will serve to better ensure that the Postal Service is able to address its financial shortfalls by growing the value of the mail and by generating greater revenue. These actions will in turn minimize the impact of cost-cutting measures on our hardworking postal employees, mailers, postal operations, and the agency’s future viability.”

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